

From: Thomas Nussbaum [mailto:tnussbaum@bridgewatersavings.com]
Sent: Thursday, May 12, 2005 11:08 AM
To: Comments
Subject: FDIC (RIN # 3064-AC89), OCC (Docket # 05-04), Fed (Docket # R-1225)

Thomas Nussbaum
14 Main Street
Bridgewater, MA 02324

May 12, 2005

Robert E. Feldman
Executive Secretary
Federal Deposit Insurance Corporation
550 17th Street, NW
Washington, DC 20429

Dear Mr. Feldman:

As a community banker, I am pleased to comment in support of the proposal issued by the federal banking agencies that would amend the definition of a small institution: with some amendments. I believe that the proposal will provide much needed regulatory burden relief for my bank and other community bankers. This is one example of regulatory burden relief that will really make a difference.

Making Community Reinvestment Act (CRA) regulatory exams more streamlined will not change the way community banks do business or reduce the volume of loans or an individual bank's commitment to their communities. Compliance with the CRA is something we take very seriously at our bank because it makes good business sense.

The proposed rule would add a community development rating to be used for "intermediate" small banks with assets greater than \$250 million up to \$1 billion in assets and expand the definition of "community development" (CD) to include a broader array of activities in rural areas. I believe the appropriate range for this segment is banks with assets greater than \$500 million up to a billion. The original small bank test should be expanded to banks up to \$500 million in assets.

We do not believe it is necessary to create a separate test for CD activities and strongly oppose segmenting the new CD criterion from the bank's overall lending test. Also, it would be especially burdensome to require satisfactory ratings on both the lending and CD tests in order to receive an overall satisfactory rating.

With these changes I believe the CRA rules would provide much needed regulatory relief and keep banks accountable for community development activities without overburdening them with a separate test.

Thank you for considering my views.

Sincerely,

Thomas Nussbaum
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